Private Career Training Institutions Agency

SERVICE PLAN
2013-2014 TO 2015-2016

PCTIA

pctia.bc.ca

MESSAGE FROM THE BOARD TO THE MINISTER RESPONSIBLE

The Honourable Minister John Yap
Minister of Advanced Education,
Innovation and Technology and
Minister Responsible for Multiculturalism
Government of British Columbia

Dear Minister Yap:

On behalf of the Board of Directors, management and staff of the Private Career Training Institutions Agency (PCTIA), I am pleased to submit PCTIA's Service Plan for fiscal years 2013/14 to 2015/2016.

This Service Plan responds to the 2013-2014 Government's Letter of Expectations and addresses gaps identified by the Board in the 2012 Strategic Planning Process.

Over 50,000 students attended one of the 334 private career training institutions in British Columbia in 2011/2012. The number of institutions has been declining year-over-year since 2009 while the size of remaining institutions has been increasing. The Agency is sector-funded. The number of institutions operating in the province impacts the Agency's financial capacity.

Accountability Statement

The Service Plan was prepared in accordance with the Budget Transparency and Accountability Act and the BC Reporting Principles. The plan is consistent with the government's strategic priorities. The Board is accountable for, and confident in, the contents of this plan, including what has been included in the plan and how it has been reported.

The Agency was successful over the past year in raising profile with the public and with students. This was a leading goal in the previous years' Service Plan. Enquiries to the Agency from students have increased by 300%.

The focus of the Agency over the next two years will be the introduction of an advanced technology platform to assist in streamlined reporting and data gathering; the work of a Board Task Force to review Revenue and Resource Allocation opportunities, and, the implementation of a Continuous Improvement Process developed through the 2011/2012 Bylaw Review specific to accredited institutions.

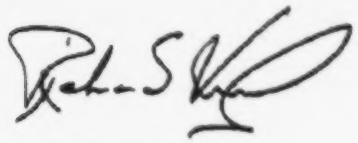
New requirements exist for accredited institutions to report on student attrition and graduation rates, third-party licensing examination results, and industry or employer feedback, current or graduate student satisfaction surveys and employment outcomes. These will provide benchmarks for the sector as a whole.

Four areas of risk identified are: capacity, revenue generation, legal services, and, advanced technology. Three gaps identified by the board are IT infrastructure, the ability to deal with non-complying institutions, and a

need for a more defined risk assessment tool to be able to allocate resources. Activities moving forward over the next three years will address mitigating these risks and filling these gaps.

The Board of Directors and management of the Private Career Training Institutions Agency look forward to a successful year carrying out its consumer protection mandate.

Sincerely,



Richard Novek
Board Chair

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ORGANIZATIONAL OVERVIEW

Career training is post-secondary education which provides students with specialized skills and knowledge to prepare them for employment in a specific field. Students receive a diploma or certificate upon successful completion of the program.

Many students attending accredited private career training institutions are beneficiaries of government student loan programs. In 2010/2011, student loan programs provided students with $129,920,954 in funding.

"Programs offered include hairdressing, film and music production, yoga teacher training, embalmer and funeral direction health care provision and more".

Most private career training institutions provide quality programs. However, in 2004, in response to several public closures of private career training institutions and the increase of government student loan funding, the need for public accountability within the sector became of increasing importance. It was at that time the provincial government announced the creation of the Private Career Training Institutions Agency.

Private career training institutions contribute to a diverse post-secondary system offering unique and flexible programming and giving students the skills and training that employer's need. Over 50,000 students were enrolled in 2800 programs offered at one of 334 private career training institutions in British Columbia in 2011/2012.

MANDATE

The Private Career Training Institutions Agency (PCTIA) is a Crown Corporation established under the *Private Career Training Institutions Act (PCTI Act)*, which came into force in November 2004. Its mandate, as set out in the *Act* is

- to establish basic education standards for registered institutions and to provide consumer protection to the students and prospective students of registered institutions;
- to establish standards of quality that must be met by accredited institutions; and
- to carry out, in the public interest, its powers, duties and functions under this *Act*, the Regulation and the bylaws.

Further direction and accountability is provided through the Government's Letter of Expectations, executed jointly by the Chair of the PCTIA Board and the Minister of Advanced Education, Innovation and Technology.

MISSION

To support quality education in British Columbia's private post-secondary career training sector through setting and regulating basic education and quality standards and providing consumer protection through the provision of the Student Training Completion Fund.
PCTIA Service Plan 2013-2016

PROMISE

PCTIA's promise to students and the public is to set basic quality standards and monitor private career training institutions for compliance to those standards; to protect student tuition through a Student Training Completion Fund; and to provide information to students and the public to assist in their ability to make good choices in post-secondary career training.

PCTIA's promise to the private career training institutions is to make the process of compliance straight-forward by leveraging technology; to improve the overall reputation of the sector by enforcing compliance to set standards; and to provide timely and relevant information to institutions.

PCTIA's promise to the provincial government is to effectively undertake the execution of its prescribed mandate to provide consumer protection.

"Over 50,000 students attended one of the 334 private career training institutions in British Columbia in 2011/2012".

In PCTIA's role as a consumer protection agency, students and prospective students of private career training institutions in British Columbia are its primary stakeholders. PCTIA cannot guarantee quality in the sector. It can set standards and monitor, as best as possible, against those standards. When considering a post-secondary program of any kind, the consumer must research the institution, and its programs, to make an informed choice.

CORE BUSINESS AREAS AND SERVICES

BASIC AND QUALITY STANDARDS

PCTIA provides consumer protection to students and prospective students of registered private career training institutions in British Columbia.

It sets basic education standards for registered institutions, and quality standards for accredited institutions. Quality standards for accreditation exceed those required for registration and are voluntary.

Institutions are monitored for compliance to these set standards. This includes financial reporting requirements, onsite visits, approval of program content and other reporting set out in the PCTIA's Bylaws:

http://www.pctia.bc.ca/bylaws

PCTIA has the authority to suspend or cancel an institution's registration and/or accreditation for non-compliance to basic education and quality standards. The suspension or cancellation of either registration or accreditation of an institution is posted on the PCTIA website for a period of five years.

A consumer of education ultimately must do their own homework prior to registering in a program. PCTIA provides information about registered and accredited institutions on its website.

STUDENT PROTECTION - TUITION INSURANCE

The Student Training Completion Fund (STCF) is established under the *PCTI Act* and further prescribed under the *Private Career Training Institutions Regulation (the Regulation)*.

Each month, institutions are required to contribute to the STCF.

CLOSURES

Should an institution close or PCTIA cancel its registration prior to completion of the student's program, the student may have a claim on the STCF for repayment of all or a portion of their tuition.

PCTIA works with impacted students and other registered institutions to find opportunities to transfer these students for completion of their program. The student pays no additional monies even where the new institution has a higher tuition cost.

COMPLAINTS

A formal complaints process exists for students who have been misled by a private career training institution in some aspect of its operations. The Board is responsible for consideration of complaints and potential tuition reimbursement to students.

Where the PCTIA Board finds a student has been misled in a material way by the institution, a payment from the STCF is made to the student or their delegate. This payment is recovered from the institution should it still be operating.

KEY PARTNERS AND STAKEHOLDERS

PCTIA is responsible directly to the Minister of Advanced Education, Innovation and Technology. Other stakeholders include the approximately 334 private career training institutions operating in the Province of British Columbia; the public post-secondary education sector; over twenty regulatory colleges and professional associations; the Degree Quality Assessment Board; the British Columbia Council on International Education; Human Resources and Skills Development Canada; and Citizenship and Immigration Canada.

OFFICE LOCATION

PCTIA's location is:
203-1155 West Pender Street,
Vancouver, BC V6E 2P4

Phone: 604-569-0033
Website: www.pctia.bc.ca
Contact: info@pctia.bc.ca

Office Hours are 8:30 am to 4:30 pm.

"A consumer of education ultimately must do their own homework prior to registering in a program. PCTIA provides information about registered and accredited institutions on its website".

HOW WE DO OUR WORK - STRUCTURE

PCTIA monitors private career training institutions for compliance to basic and quality standards; provides information to students; and adjudicates student complaints against institutions. The Agency has 21 full-time staff.

Province of British Columbia
The Private Career Training Institutions Act
The Private Career Training Institutions Regulation
Government's Letter of Expectations

The Board of Directors
The Private Career Training Institutions Bylaws
Strategic Direction
Set Basic Education and Quality Standards

Registrar and Chief Executive Officer
Operational Oversight
Activities to support GLE[1] and Strategic Direction
Legislative authority to act

Regulatory and Compliance	Student Assistance
• Register and review new institutions • Monitor institutions against standards set in PCTIA Bylaws • Set conditions for compliance • Make recommendations for actions	• Student Complaint Process • On-site support for closures • Student Training Completion Fund • Train-outs to other institutions

Legal
- Oversee compliance to Crown Corporation regulatory framework
- Review and recommend on interpretation of PCTIA Bylaws and legislation
- Review recommendations on actions against institutions
- Review student complaints
- Respond to Freedom of Information Requests

Administration, Finance and IT,
- Management of fees, payments to fund
- Support for IT infrastructure

PCTIA Service Plan 2013-2016

Regulatory and Compliance Officers each have a cohort of institutions, currently between 80 and 90, grouped by sector/type of programs and geographic location. They carry out site visits, monitor their cohort for compliance, and make recommendations for enforcement actions such as suspensions and closures. The Assistant Registrar monitors the quality of work of the Regulatory and Compliance Officers.

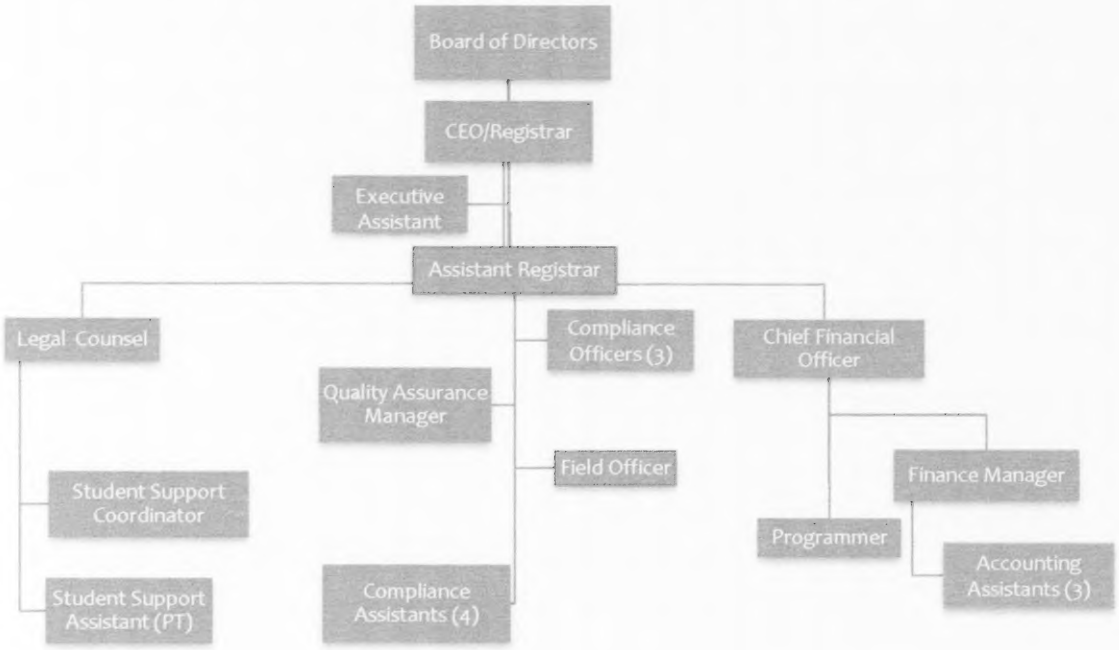
Subject Matter Experts and Auditors may be required on contract where audits of institutions or reviews of new programs may require specific expertise. Information about these experts and auditors is posted publicly on PCTIA's website (http://www.pctia.bc.ca/governance/audit-team).

Staff investigates and provides materials to the Board. It is the Board's responsibility to adjudicate all student complaints.

The Quality Assurance Manager monitors the quality of the processes and systems in place.

The Registrar has legislative authority granted under the *Act* to require certain information from institutions and to impose restrictions to their activities through suspension or cancellation. In addition, the Registrar acts as Chief Executive Officer of the PCTIA.

ORGANIZATION CHART



The Agency currently has 21 full time and one half time employee(s). Staffing numbers are expected to stay constant for 2013-2014.

CORPORATE GOVERNANCE

PCTIA is governed by a ten-member Board of Directors, three of which are appointed by the Minister of Advanced Education, Innovation and Technology, and seven elected by the member institutions. The PCTIA Board is accountable to the Ministry of Advanced Education, Innovation and Technology.

The Board's role consists of:

- Appointing the Registrar and establishing the functions and duties of the Registrar;
- Governing the affairs of the PCTIA in accordance with the *Act*, the Regulation and the Bylaws;
- Establishing and maintaining Bylaws in accordance with the *Act*;
- Setting strategic direction for PCTIA;
- Being accountable for defined performance results;
- Ensuring effective use of PCTIA's resources; and
- Reporting to government, shareholders and the public at large.

The Board has historically had four standing committees. They include the Student Complaints Committee, the Planning and Review Committee; the Bylaw, Policy and Quality Assurance Committee; and the Finance and Student Training Completion Fund Committee. In December of 2012, the Board established a standing Appeals Committee. The Nominating Committee is formed in Board election years only.

At the end of 2012, the PCTIA Board struck a Task Force for the purpose of reviewing the current PCTIA revenue model and making recommendations for changes to the Ministry. The Task Force will do its work throughout 2013.

The Board adheres to the standards of conduct, which are published on PCTIA's website (http://www.pctia.bc.ca/governance/members-of-the-board-of-directors), when exercising its powers and performing the functions of the organization.

More information with respect to the Board's composition, terms of office, nominations process, election process, meetings, and Code of Conduct guidelines can be found in the PCTIA Bylaws, which are available at http://pctia.bc.ca/bylaws or questions can be directed to info@pctia.bc.ca.

BOARD MEMBERS AND COMMITTEE RESPONSIBILITIES FOR 2013-2014

NAME	BOARD POSITIONS AND COMMITTEE	TERMS
Richard Novek Director of Operations, Greystone College of Business & Technology, and International Language Institutions of Canada	• Chair Board of Directors • Chair Planning and Review	Elected Second Term April 2, 2012 – March 31, 2014
Bev Reid President MTI Community College	• Chair Nominating Committee • Bylaw Committee	Elected Second Term Oct 1, 2012 – October 2, 2015
David Wells Academic Dean NEC Native Education College	• Chair Student Complaint Committee • Bylaw Committee	Elected First Term April 2, 2012 – April 1, 2014
Gwen Donaldson President, Vancouver Campus Canadian Tourism College	• Bylaw Committee • Nominating Committee	Elected First Term April 2, 2012 – April 1, 2014
Ian Rongve Assistant Deputy Minister Sector Strategy and Quality Assurance Ministry of Advanced Education, Innovation and Technology	• Finance and STCF Committee • Planning and Review Committee	Appointed March 27th, 2012. No expiry.
Jim Miller Director Canadian Outdoor Leadership Training (COLT)	• Finance and STCF Committee • Appeals Committee	Elected First Term Oct 1, 2012 – October 2, 2015
Mark Hilton Partner Bernard & Partners	• Bylaw Review Committee • Finance and STCF Committee • Appeals Committee	Ministerial Appointment: June 1, 2012 Expires May 30, 2015
Patricia (Pat) Kennedy Chief Operating Officer Pacific Flying Club	• Chair Finance and STCF Committee • Appeals Committee	Elected First Term April 2, 2012 – April 1, 2014
Robert (Bob) Kitching President and Managing Associate Western Maritime Institute	• Bylaw Review Committee • Finance and STCF Committee	Elected First Term Oct 1, 2012 – October 2, 2015
Vacant Ministerial Appointment	• Appointment Pending	Appointment Pending

MEMBERSHIP BY COMMITTEE – 2013-2014

Standing Committees

BYLAW POLICY AND QUALITY ASSURANCE	FINANCE AND STCF	STUDENT COMPLAINTS	APPEAL PANEL	PLANNING AND REVIEW
Purpose: *To continue to review bylaws and policies and make recommendations to the board and Ministry on changes.*	**Purpose:** *To provide oversight of PCTIA's financial reporting and management of the Student Training Completion Fund. To approve payments out of the STCF.*	**Purpose:** *To review and adjudicate complaints filed by students and to make decisions based on the information presented. To discuss findings with the full Board.*	**Purpose:** *The appeal committee is created under s.8.2 of the bylaws.* *The appeal committee is formed of 4 board members the chairperson of the board will draw upon when he/she establishes an appeal panel. The appeal panel will be made up of three members from the appeal committee. Members on the appeal committee receiving training on appeals.*	**Purpose:** *To provide interim feedback and discussion with CEO/Registrar between meetings. To review and recommend on CEO performance.*
Bev Reid, Co-Chair	**Patricia Kennedy , Chair**	**David Wells, Chair**	**TBA**	**Richard Novek, Chair**
Gwen Donaldson, Co-Chair	Ian Rongve	Bev Reid	David Wells	Patricia Kennedy
David Wells	Bob Kitching	Mark Hilton	Mark Hilton	Ian Rongve
Bob Kitching	Jim Miller		Jim Miller	David Wells
			Patricia Kennedy	Karin Kirkpatrick, CEO/Registrar

2012-2013 Task Force

REVENUE TASK FORCE	**Purpose:** *To conduct a review and analysis of the current PCTIA self-funded model*	Ian Rongve Pat Kennedy David Wells Karin Kirkpatrick Lyndon Scott

SENIOR MANAGEMENT TEAM

Karin Kirkpatrick, *Registrar & CEO*
Monica Lust, *Assistant Registrar*
Luce Lafontaine, *Legal Counsel*
Lyndon Scott, *Chief Financial Officer*

Management team biographies can be found at http://www.pctia.bc.ca/governance/executive.

GOVERNING PRINCIPLES

Principle	Description	Defining Statements
Respect	PCTIA respects all its stakeholders.	• Support, guide and collaborate with key stakeholders
Accountability	PCTIA is accountable to its stakeholders.	• Provide timely and transparent reporting to government, the public and the sector • Provide responsible oversight and a commitment to student and consumer protection
Adaptability	PCTIA is an adaptive organization that celebrates continuous learning and change.	• Monitor and adapt to changes in the regulatory environment • Apply new technologies and methods of doing business • Respond to changing demographics within PCTIA, students, and institutions
Quality	PCTIA has quality standards as it applies to its mandate at the strategic and operational levels.	• Protect the public and promote consumer confidence by applying basic education standards to all BC private career training institutions • Work to encourage more institutions to attain higher quality standards than are required • Apply the principles of quality to its employees, board duties, and all operations
Integrity	PCTIA implements its mandate with integrity.	• Investigate student complaints thoroughly and make decisions consistent with the principles of administrative law

STRATEGIC CONTEXT

OPERATING ENVIRONMENT

INTERNAL

Capacity and Structure

Capacity continues to be the number one challenge internally. The number, variety, and location of institutions with which PCTIA staff have responsibility for is broad. They range from smaller institutions in remote areas of British Columbia, to larger institutions in more urban centres. All institutions require site visits. The time required for Regulatory and Compliance Officers to perform in-depth compliance visits across the Province has resulted in a backlog of visits to institutions and delays in processing applications for registration, program approvals, and approval of accreditations.

PCTIA's staffing structure has been reviewed and changes are being made for 2013-2014. The full time equivalent staff count remains the same at 21. Through internal moves, a new position of Records Officer has been created. The Records Officer will focus on abbreviated compliance visits to institutions. The Regulatory and Compliance Officers will be involved in fewer site visits which will allow them more time to review the information related to their cohort of institutions. The Field Officer will request a more in-depth compliance visit from a Regulatory and Compliance Officer in instances where education standards are of concern. This will allow more visits and areas of concern to be identified more quickly.

New Bylaws

New PCTIA bylaws became effective on October 1st, 2012. This has resulted in an increase in questions related to compliance and additional work for staff. Overall, the new bylaws seem to well-received by the sector.

Increased Focus on Education Standards and Quality Reviews

During a risk review in 2012, the requirement for an institution to demonstrate financial capacity to meet its commitments was identified as an area requiring more review. The inability for an institution to demonstrate it has sufficient resources to meet its obligations means a higher probability of closure and claims on the STCF fund. Increased review of institutions financial capacity has resulted in increased time for existing PCTIA staff, an increase in processing times, and an increase in costs and time to institutions. However, it is expected to result in fewer unanticipated institution closures.

Workflow through Technology

The introduction of technology to support work flow and lessen the amount of manual work required by both staff and institutions is underway. The benefits of this should be seen by the end of 2013. This will relieve some capacity issues. The commitment to this project continues and the implementation of the system is scheduled between April 2013 and October 2013. The time frame is dependent on staff capacity to complete the project.

EXTERNAL

Institutions

The number of private career training institutions in the Province has been gradually declining. At March 31, 2011, 351 of these institutions were registered in the Province. At March 31st, 2012, there were 334. This number has declined each year since 2009 when there were 409 registered institutions. This is due in part to a trend of acquisition which is now slowing. However, increased regulatory requirements have also impacted the decision of some institutions to discontinue operations or others to enter the market.

The number of private career training institutions in the Province has been gradually declining. At March 31, 2011, 351 of these institutions were registered in the Province. At March 31st, 2012, there were 334.

Other regulatory bodies which provide oversight to some professional programs, such as the College of Licensed Practical Nurses of BC (CLPNBC), and the College of Traditional Chinese Medicine and Acupuncturists of BC (CTCMA), have implemented new program approval processes. Other bodies have begun to limit the number of programs approved as the labour market is unable to absorb the number of graduates and/or students are unable to receive appropriate and required practicum or co-op placements.

Financial

Regulation of the sector is funded by the sector itself. Regulated institutions contribute between .8% and 3.5% of their annual tuition revenue in fees and contributions to the STCF. The rates are dependent upon length of time registered, compliance issues, and whether the institution is registered or accredited. A reduction in the number of institutions regulated directly impacts revenue to PCTIA. While there has been a decrease in number of institutions, there have been increases in the average size of institutions, the student per institution, and the average cost of tuition. March 31, 2012 did see a decline in overall sector tuition revenue reported.

The Agency tracks tuition paid during the enrolment year. The enrolment year is November 1 to October 31. Previous Service Plans have reported total sector tuition on the Agency's fiscal year. Numbers in this report have been matched to the institutions enrolment year. Total tuition revenue reported for all registered private career training institutions:

Year-end Oct 31, 2010 $279,727,892
Year-end Oct 31, 2011 $274,408,157
Year-end Oct 31, 2012 $271,277,381

Legislative Environment

Currently, B.C.'s post-secondary education quality assessment system differs by type of Institution and program. There are four bodies that evaluate and monitor the quality of all post-secondary education programs in the province under a quality assurance system that is a combination of legislation, regulation and policy:

- **Degree Quality Assessment Board**, Advisory Board to the Minister which oversees quality assessment process for all institutions wishing to offer degree programs.
- **Private Career Training Institutions Agency**, a Provincial Crown Agency which sets basic education standards and voluntary quality standards to regulate private career training institutions.
- **Industry Training Authority**, a Provincial Crown Agency. The Agency is responsible for leading and coordinating the skilled trades training and credentialing system for the province;
- **Ministry of Advanced Education, Innovation and Technology** evaluates public institutions under the Accountability Framework as well as determines suitability for Education Quality Assurance (EQA) designation and Student Aid BC designation for all institutions.

As presently constructed, this system can result in inconsistency in expected standards between PCTIA and the other bodies and difficulty in comparing institutions and programs. The Ministry of Advanced Education, Innovation and Technology, under the BC Jobs Plan, introduced a process in 2012 to review the post-secondary sector in BC and develop a new Quality Assurance Framework. This includes both the public and private institutions. The outcome of any new Quality Assurance Framework is expected to have some impact on the operations of PCTIA and its scope or mandate. More information can be found at: http://www.aved.gov.bc.ca/education_quality_assurance/docs/pse_framework.pdf.

The introduction of changes to the international student visa process being introduced by Citizenship and Immigration Canada (CIC) will have an, as yet unknown, impact on those institutions accepting international students. This may also impact the operations and scope of PCTIA over the next year. More information can be found at: http://www.cic.gc.ca/english/department/media/releases/2012/2012-12-28.asp.

RISKS, OPPORTUNITIES AND MITIGATION

In the previous 2012-2015 Service Plan, four risk areas were identified. They were Revenue Generation, Legal Resources, Advanced Technology, and Reputational Risk. Capacity concerns due to slowing revenue trends and increased monitoring for compliance has now become a primary risk concern. Capacity issues have a direct impact on Reputational Risk and have replaced it as a priority.

Source of Potential Risk or Opportunity	Risk	Opportunity	Risk Mitigation Strategies
Capacity	1. Increased focus on compliance with standards has resulted in a higher volume of work. 2. The closure of a larger institution would take more resources to manage than the Agency has available. 3. Increase in Agency activities would result in increase in required legal services. 4. Increase in time to process applications and requests result in frustration with the Agency and impacts reputation.	1. Working with other regulating bodies to share resources. 2. Upfront focus on compliance to recognize areas of concern before a closure.	1. Slowed the implementation of changes to compliance reviews. 2. Reorganize the existing staff complement to focus on higher value activities. 3. Developed a risk management framework to focus on review of institutions with a larger risk to students and the fund. 4. Continued to develop and deliver a series of professional development opportunities for institutions to increase understanding of expectations and to introduce best practices.
Revenue Generation • All PCTIA revenue is generated through fees from institutions • Registered institutions currently contribute .8% to 3.03% of their tuition revenue annually.	1. The trend to consolidation in the sector may be slowing. A decrease in the number of registered institutions due to the requirements of Basic Education and Quality Standards impacts the Agency's revenue and the ability to offer consumer protection. 2. Any one large institution closure will leave the STCF underfunded.	1. Seek new sources of revenue generation through provision of professional development programs; resource sharing with other education quality organizations; grants and other programs available through the provincial and federal governments. 2. Review and make changes to how the current PCTIA fees to institutions are set	1. Increased internal efficiencies to reduce PCTIA expenses. 2. Moved to paperless reporting and filing. 3. PCTIA will continue monitoring the growth of the Student Training Completion Fund in accordance with the contingency target recommended by the actuarial study of the fund completed in 2010. However, one or two large institution closures will leave the STCF under-funded. 4. Undertaking a full review of the Revenue Model through a newly struck Board Task Force to make a recommendation to the Ministry for changes or refinements to the current model.

Source of Potential Risk or Opportunity	Risk	Opportunity	Risk Mitigation Strategies
Legal Resources	1. Increasing focus on compliance has resulted in increase in workload for in house legal counsel and increased legal costs. 2. Adapting to evolving regulatory requirements.	1. Legal action against non-complying institutions will result in reduction of institutions operating in contravention of the *Private Career Training Institutions Act*, and encourage institutions to pursue higher quality standards. 2. Provide more education and support for institutions to assist them in understanding regulatory requirements and how to meet them will result in earlier resolution of compliance issues.	1. Provide more resources and support for internal legal counsel. 2. Research best practices from other jurisdictions such as other provinces, the US, and New Zealand/Australia where the regulation of the industry has been developed over a longer period of time.
Advanced Technology	1. Increased expectations of electronic and web-based services from PCTIA's stakeholders. 2. Reliance on internal staff to program and maintain legacy database and IT infrastructure. 3. The ability for online training institutions to blur the line between jurisdictions.	1. Ability to provide webinars and online meetings for institutions. 2. Reduce reporting burden on institutions through fully integrated reporting and payment options. 3. Reduce staff time required to re-enter reporting information. The ability to convert staff time to higher impact activities.	1. Increased staff training on technology and quality standards. 2. Implement Enterprise Resource Planning system to integrate accounting functions with compliance management. 3. Continue on development of internal quality assurance standards which will result in consistent enforcement. 4. Streamline, where possible, some reporting requirements with SABC, DQAB, EQA and other related bodies.

ORGANIZATIONAL CAPACITY

Through a campaign to increase public awareness, public and student enquiries have increased by 300%. Agency staff historically dealt with approximately 70 student and public enquiries per month. In September of 2012 the number moved to a high of 300.

A number of initiatives are being undertaken to address the capacity issue. These include the Board's new Task Force, a reorganization of current staff positions, and the future automation of more processes.

GOALS, STRATEGIES, PERFORMANCE MEASURES, TARGETS & BENCHMARKS

PCTIA is committed to increasing its ability to provide consumer protection to students and the public.

BENCHMARKS

Benchmarks have been set using historical data and estimates. Finding comparable organizations to compare measures with is challenging. In Canada, with the exception of British Columbia, oversight of private career institutions is done through the respective provincial or territorial Ministry (http://www.aes.gov.nl.ca/postsecondary/roccc.html). The governance structure is different and the PCTIA bylaws set out different compliance requirements than in other jurisdictions.

In Canada, with the exception of British Columbia, oversight of private career institutions is done through the respective provincial or territorial Ministry.

PCTIA belongs to an informal group of Canadian regulators of vocational institutions where information related to issues and compliance in each jurisdiction is discussed and compared.

A reduction in complaints related to institutions seems, intuitively, to be a measure of success. However, if the Agency is successful in raising profile with students and the public, the result will be an increase in the number of complaints filed and the number of public enquiries. This will not be as a result of increased issues in the sector. A low number of complaints, relative to the number of institutions, are filed with the Agency currently as a result of students not being aware of the ability to do so. This has been demonstrated during closures where students impacted tell staff they were unaware of their ability to make a complaint with PCTIA.

As in previous years, the Agency has identified an issue with its profile; a lack of public awareness. Over the past year, the Agency has been successful at building that awareness. In the process, it has identified a significant capacity issue.

GOALS, STRATEGIES, AND PERFORMANCE MEASURES

GOAL 1: ENFORCING BASIC AND QUALITY EDUCATION STANDARDS

Basic Education Standards are set by the Board though PCTIA's bylaws. All registered institutions must abide by those standards and are monitored against them for compliance. Quality Education Standards are those which are required, on top of the basic education standards, for accredited Institutions. In October 2012 an updated version of the PCTIA bylaws came into effect setting out more detailed performance measures for accredited Institutions. In the 2012-2015 Service Plan, this goal referred only to the basic education standards. We have revised this goal to include a commitment to raising the quality expectations of accredited institutions. A risk assessment tool has been developed to prioritize the Agency's activities.

STRATEGIES

1. Continue to provide the information workshops, launched in 2012, as opportunities for institutions to increase understanding of expectations and to introduce best practices.

2. Continue on development of internal quality assurance standards which will result in consistent enforcement.

3. Finalize a risk assessment tool to allow staff to prioritize visits and reviews of institutions where risks to the students and the STCF fund are greatest. Characteristics being used to identify risk include amount of unearned tuition, financial health, complaints history and previous compliance concerns.

4. Continue to pursue legal remedies against non-complying institutions.

MEASURES

Rate of non-compliance

A reduction in outstanding conditions per institution indicates a higher level of compliance with the Basic Education and Quality Standards within those institutions visited by PCTIA each year. Fewer conditions are an indicator an institution is operating in closer compliance with the standards.

Rate of non-compliance is calculated by taking the total number of conditions set during compliance visits in the year, divided by the number of institutions visited.

Participation in workshops and professional development programs by institution representatives

An increase in the number of institutional representatives attending learning programs offered by PCTIA is expected to result in higher compliance levels. Often non-compliance by an institution results from a misunderstanding of the expectation of the Agency related to certain bylaw requirements. The more institutions learn about 'how' to meet Agency expectations, the more likely they will have low non-compliance issues. This also reduces the work of Agency staff in dealing with non-compliance issues.

Number of site visits by PCTIA

The Agency created a new position this year for the purpose of conducting an increased number of site visits to institutions. The Agency may only become aware of basic education or quality issues when they are onsite. The risk assessment tool will also assist in targeting visits to higher risk institutions.

Performance Measures	2011/2012 Actual	2012/2013 Current	2013/2014[1] Projected	2014/2015 Projected	2015/2016 Projected
Rate of non- compliance	5	4.5	3	2	2
Participation in information workshops	45	106	115	115	115
Number of site visits by PCTIA staff	**214**	200	250	250	250

In 2012/2013, participation in workshops was limited by the capacity of the Agency. Each workshop offered filled and had a waiting list. Some additional workshops were added and the need to continue these programs was confirmed.

GOAL 2: INCREASED QUALITY STANDARDS AND PERCEIVED VALUE OF ACCREDITED INSTITUTIONS

Accreditation is voluntary for institutions and requires an institution to operate to a higher standard of quality than the basic education standards.

The majority of institutions seeking accreditation are doing so in order to qualify to apply for Student Aid BC funding and/or Education Quality Assurance (EQA). Accreditation additionally puts an institution in the lowest fee category for contributions.

Accreditation is voluntary for institutions and requires an institution to operate to a higher standard of quality than the basic education standards.

PCTIA wishes to build additional value in the brand of accreditation encouraging more institutions to obtain this higher quality standard.

In the 2012-2013 Service Plan, a strategy to support this goal was the development of classes of institutions. It was determined through the bylaw review process, that this would require legislative changes. This may be addressed in the current review by the Ministry of the Quality Assurance Framework. The Agency instead has developed a risk assessment tool to focus on

institution's causing the highest risk. Risk factors include but are not limited to, amount of unearned tuition, financial health, and compliance history. Institutions with lower risk will have the benefit of abbreviated site visits.

Additionally, the 2012-2015 Service Plan set a strategy to increase external relations and communications planning. This was successful over the past year and the commitment to raising awareness of the Agency remains. However, budget and capacity constraints have made a formal program infeasible at this time. Instead, while site visits are occurring at institutions, the Officer speaks with students to ensure they understand the role of PCTIA.

STRATEGIES

1. Work with other provincial educational quality organizations to streamline the accreditation process and requirements. The result would be to identify areas where multiple organizations are asking for similar or the same information from an accredited institution and consolidate this into one.

2. Risk assessment tool rewards accredited high performing institutions, with a track record of quality, through abbreviated compliance visits and reviews.

MEASURES

Institutions seeking accreditation

An increased number of registered institutions pursuing accreditation status is an indicator there is increased value in the brand of accreditation.

Percentage of overall institutions accredited

An increased number in the percentage of institutions which are accredited is an indicator of higher quality across the sector.

Performance Measures	2011/2012 Actual	2012/2013 Current	2013/2014 Projected	2014/2015 Projected	2015/2016
Number of institutions applying for accreditation	12	15	15	15	15
Percentage of overall institutions which are accredited	50%	55%	60%	65%	65%

GOAL 3: INCREASING AWARENESS, EFFECTIVENESS, AND TRANSPARENCY

A student or potential student who is unaware of the regulation of the private career training sector in BC will also be unaware of the protection afforded by PCTIA. They will also be unaware of the resources to assist in their post-secondary decision making, and the complaint remedy available to them.

An institution which is unaware of the requirement for registration may be operating a non-complying business.

PCTIA needs to work to ensure various stakeholders are aware of and understand PCTIA's role and mandate.

In the 2012-2013 Service Plan, two strategies to support this goal were to develop and implement a communications strategy; and, to undertake participation in events and communications to institutions. This has been tabled as a strategy only due to resource constraints. It is being undertaken in an informal manner and will be reviewed for subsequent years.

A student or potential student who is unaware of the regulation of the private career training sector in BC will also be unaware of the protection afforded by PCTIA.

The first strategy listed has also been amended to include research and analysis. This is a gap which has been identified over the past year. The Agency needs more ability to review best practices in other jurisdictions, understand economic trends and regulatory changes which impact regulated institutions, and analyze Agency data to improve decision making tools.

The measures have been revised from the 2012-2015 Service Plan. No awareness or satisfaction survey was undertaken. Instead, the Agency implemented a survey of students to be conducted during site visits. Additionally, the media monitoring was deferred in light of the reduced communications work.

STRATEGIES

1. Introduce a communications and research role with responsibility website and social media, media relations, and industry research/analysis.

2. Introduce an opportunity to speak to students during compliance visits to explain the role of PCTIA and provide all contact information.

MEASURES

Increased number of enquiries from the public

The Agency began tracking the number of enquiries from students or the public in 2012. This measure will indicate a level of awareness of the Agency to the general public and students. Continued work towards raising awareness should result in increased enquiries, via email or telephone, to the Agency. Information has been added to the website to address the most frequently asked questions. The kinds of enquiries range from questions about whether an institution is registered, what is the difference between accreditation and

registration, what do prior suspensions mean to an institution, to what is the difference between and public and private institution.

Increased number of student calls regarding institutions and/or the complaints process

Often students are unaware that PCTIA exists until a closure occurs. A desired outcome of profile raising for the Agency is to make them aware of the role of the Agency in providing information and mechanisms for dealing with concerns at their institution.

*The number of incoming calls spiked in August and September of 2012. This was a direct result of an awareness campaign run on Canada Line in Vancouver. A similar campaign is not planned for 2013/2014. The drastic increase in calls is expected to be anomalous. Although calls are anticipated to remain higher than previous years based on other awareness initiatives with students.

Performance Measures	2011/2012 Actual	2012/2013 Current	2013/2014 Projected	2014/2015 Projected	2015/2016 Projected
General enquiries from public (monthly)	1510	1900	1950	1950	2000
Incoming calls from students regarding institutions (monthly)	70	298*	200	200	220

GOVERNMENT'S LETTER OF EXPECTATIONS

The Government's Letter of Expectations (GLE) forms the basis for the development of the Agency's Service Plans and Annual Service Plan Reports. In addition to a number of government performance expectations common to all Crown Corporation, and which are addressed in the Goals and Strategies section of this Report, the most current GLE directs the Agency to take the following specific actions:

Government's Letter of Expectations	*Action/Response*
1. Report on enhanced outcomes based measures to further improve upon the quality standards of PCTIA accreditation. Such measures include, student attrition rates, student graduation rates, third-party professional/licensing examination results and industry or employer feedback (where available), current or graduate student satisfaction surveys, and graduate employment outcomes. 2. An Action Plan will be submitted to the Ministry by June 28, 2013, and measurable benchmarks on these outcomes will be made available to the Ministry by January 31, 2014.	1. In the newest Agency bylaws which came into effect on October 1st, 2012, the Continuous Improvement section was added. It requires accredited institutions to report on student attrition rates, student graduation rates, third-party professional/licensing examination results and industry or employer feedback (where available), current or graduate student satisfaction surveys, and graduate employment outcomes. This information will be used to set performance benchmarks upon which institutions can be measured as to whether they are outside of the average. 2. A plan will be submitted to the Ministry by June 28th, 2013, setting out how the Agency will use this information to set benchmarks. Measureable benchmarks will be reported to the Ministry by January 31, 2014 based on the information reported by Accredited Institutions under the new Continuous Improvement requirement.
3. Provide a progress report on the implementation of the new PCTIA bylaws, (to be enacted in fall 2012) with specific attention as to how the process has unfolded, and on feedback from institutions and students. This report will be made available to the Ministry by April 30, 2013.	3. At April 30, 2013, the new bylaws will only have been in effect for seven months. The Agency will be able to provide reporting on how the implementation was rolled out. More formal feedback can be sought from institutions and students once the new bylaws have been in place for 12 months.
4. Collaborate with Government/Ministry staff to develop a new Quality Assurance Framework, including exploring areas of administrative streamlining between PCTIA and Government. 5. PCTIA will provide advice to Government/Ministry staff by June 28, 2013, on what specific measures have been adopted to address this.	4. The Agency will request a series of meetings for the next 12 months to meet and explore areas where efficiencies can be found. 5. PCTIA will provide information to the Ministry related to the work being done on the Quality Assurance Framework as requested.

Government's Letter of Expectations	*Action/Response*
6. By June 28, 2013, PCTIA will report on its internal continuous improvement process – being designed to develop/enhance measures in respect to student inquiries, enhanced service provision, external communications (including raising awareness of PCTIA and its role), and other identified issues. The report will focus on the measurable results that the process has affected.	6. Continuous improvement processes are moving forward. Capacity issues have slowed the more formal process. Some challenges have been identified in the capacity section. PCTIA will provide this reporting by June 28th, 2013.
7. Meet quarterly with Government/Ministry staff to provide progress reports on the actions above and discuss specific goals and performance measures.	7. Dates for these meetings with the Ministry are in the process of being set for the upcoming year.
8. Comply with Government's requirements to be carbon neutral under the *Greenhouse Gas Reduction Targets Act*, including: accurately defining, measuring, reporting on and verifying the greenhouse gas emissions from the Corporation's operations; implementing aggressive measures to reduce those emissions and reporting on these reduction measures and reduction plans; and offsetting any remaining emissions through investments in the Pacific Carbon Trust, which will invest in greenhouse gas reduction projects outside of the Corporation's scope of operations;	8. PCTIA has made a commitment to paperless filing and reporting by 2013. Online reporting for schools is expected by mid-2013. The Agency implemented internal green programs such as a kitchen composting and monitor and printer shut offs. New video and webinar capability will continue to reduce travel requirements by board members and institutions required to take mandatory PCTIA training. PCTIA continues to source sustainable office supplies such as recycled paper.

PCTIA SUMMARY FINANCIAL OUTLOOK

For the year ended March 31, 2012, the number of registered institutions had decreased from 351 to 334. The number of accredited institutions moved from 175 to 171. During the same period there were 21 new registrations and 4 new accreditations.

Accredited institutions, in general, tend to be larger than non-accredited institutions. For the year ended March 31, 2012, 51% of registered institutions were also accredited. Those accredited institutions accounted for 75% of overall institutional fee revenue. Accredited institutions also contributed 91% to the total tuition in the sector.

As the quality expectations continue to be monitored for compliance, it is expected a small number of institutions will close each year and remaining institutions will see an increase in student population. The result in the past fiscal year was a decrease in overall sector tuition.

THE COST OF REGULATION TO INSTITUTIONS

Funding to the Agency comes solely from the institutions which are regulated. Institutions contribute based on the size of their annual tuition fees. Additionally fees are impacted by several other factors such as whether the institution has been in operation for over two years, they are accredited or registered, and whether they have remained in good standing for two or more years. Accredited institutions have the lowest contribution rates while those institutions not in good standing, or in operations for less than two years, have the highest.

Fees consist of an annual fee and PCTIA contribution as well as a percentage of tuition paid into the Student Training Completion Fund.

Examples of Cost to Registered (non-accredited) Institutions 5+ years in Good Standing				
Annual Tuition Revenue	Annual Fixed Fee	PCTIA% .53%	STCF Contribution .5	Total and Percentage of Tuition
$49,999	$1,000	$264.99	$250.00	$1,514 (3.03%)
$999,999	$5,050	$5299.99	$5,000	$15,349 (1.54%)
Examples of Cost to Accredited Institutions 5+ years in Good Standing				
Annual Tuition Revenue	Annual Fixed Fee	PCTIA .28*%	STCF Contribution .40%	Total and Percentage of Tuition
$49,999	$1,000	$140.00	$200.00	$1,339.00 (2.68%)
$999,999	$5,050	$2,800	$4,000	$11,849.99 (1.19%)

More information on fees can be found at http://www.pctia.bc.ca/institutions/fee-schedule

PCTIA SUMMARY FINANCIAL OUTLOOK

This forecast is based on the expectation that, due to new bylaw and quality requirements, a small number of institutions will not maintain their accreditation status and will be paying fees at the registered institution rate.

For the year ended March 31, 2012, the Agency adopted Public Sector Accounting Board (PSAB) reporting standards. This had no material impact on the financial statements as a whole.

In the 2011/2012 actuals, there were unexpected changes in revenue and expenses, including an increased number of institutional closures (affecting revenue) and expenses from a series of roundtables to engage institutions in a bylaw review process. However, the main cause of the deficit was that PCTIA was required to record a rent free period when it moved to a new location as a deferred lease inducement.

The 2012/2013 budget for Fees from Accredited Institutions was based on the cyclical activity of five year accreditation reviews. In years where higher numbers of accreditation reviews take place, the expected revenue from accreditation will be higher. 2015/2016 is again expected to have more accreditation reviews.

The Enterprise Resource Planning project was meant to decrease staffing requirements in 2012/2013 which accounts for a reduction in budgeted salaries. This project was deferred until 2013-2014 due to resource constraints.

Professional Fees include audit and legal. Legal fees are projected to increase due to increased activity enforcing bylaws.

Other Revenue includes investment income, costs charged back to the Fund for handling student claims, bank interest, late fees to institutions, and fees to institutions to various changes in status.

PCTIA	2011/12 Actual	2012/13 Budget	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Revenue					
Fees from Accredited Institutions	1,684,275	1,816,000	1,730,000	1,773,000	1,808,000
Fees from Registered Institutions	562,703	524,000	556,000	570,000	582,000
Total Revenue from Institutions	**2,246,978**	**2,340,000**	**2,286,000**	**2,343,000**	**2,390,000**
Management fees	374,221	407,000	417,000	428,000	436,000
Other	57,905	39,000	40,000	49,000	50,000
Total revenue	**2,679,104**	**2,786,000**	**2,743,000**	**2,820,000**	2,876,000
Expenses					
Salaries and Benefit	1,745,736	1,659,000	1,706,000	1,749,000	**1,792,000**
Accreditation and On-Site Audits	212,087	342,000	262,000	269,000	**246,000**
Facilities, Rent & Maintenance	259,294	277,000	265,000	265,000	**265,000**
Professional Fees	116,489	119,000	180,000	184,000	**189,000**
Operations & Administration	352,109	316,000	250,000	263,000	**292,000**
Amortization	57,939	73,000	80,000	90,000	92,000
Total expenses	**2,743,654**	**2,786,000**	**2,743,000**	**2,820,000**	**2,876,000**
Net income (loss)	**(64,550)**	**0**	**0**	**0**	**0**
Net Assets at year end	587,876	587,876	587,876	587,876	587,876

STCF SUMMARY FINANCIAL OUTLOOK

Revenue to the STCF is dependent upon both the contributions paid by registered institutions and the performance of its invested funds.

Management Fees is the fees charged by PCTIA to STCF for managing and running the operations of the Fund for the year, including processing payments to students for claims and complaints, managing the investments, maintaining the financial records, managing the annual external audit, etc. The amount in the Management Fees revenue line for PCTIA is exactly equal to the expense line in STCF labeled "Administration'.

The downward movement in School Closure Claims in 2013 & an upward trend in the forecasts is that when the budget for 2013 was developed, it was believed that the actual experience in 2011/12 was abnormally high and 2013 would return to a more normal level. As the events of the 2012/13 year have unfolded, the budget for 2012/13 will be exceeded and we project the School Closure Claims will come in at an amount somewhere around $450,000. There is now a growing belief that this represents the new 'normal' for the next few years, and the forecasts reflect this.

STCF	2011/12 Actual	2012/13 Budget	2013/14 Forecast	2014/15 Forecast	2015/16 Forecast
Revenue	1,876,466	1,398,000	1,725,000	1,768,000	1,803,000
Expenses					
School Closure Claims	459,088	350,000	424,000	435,000	**445,000**
Administration	374,221	407,000	417,000	428,000	**436,000**
Professional Development & Investment Fees	58,802	63,000	66,000	67,000	**69,000**
Other Operating Costs	63,001	31,000	38,000	39,000	**42,000**
Total Expenses	955,112	851,000	945,000,	969,000	992,000
Net income (loss)	**921,354**	**547,000**	**780,000**	**799,000**	**810,000**
Net assets, at year end	12,505,920	13,052,920	13,832,920	14,631,920	15,443,000

FINANCIAL OUTLOOK ASSUMPTIONS

According to a Troy Media in a September 7th, 2012 BC Economic Forecast, slow economic growth in British Columbia in 2012 will improve slightly during 2013 before shifting to above-average growth in 2014 to 2016.

Education services are expected to slow to about 1 per cent annually mainly due to equally slow growth in the student population, particularly among the prime post-secondary age group. However, enrollment in post-secondary institutions is, traditionally, inversely related to the unemployment rate. The unemployment rate for British Columbia is expected to rise slightly over the year to 7.8%. Enrollment in community colleges seems to increase when unemployment increased. Enrolment is related to a number of factors with employment being only one.

FUTURE FINANCIAL OUTLOOK

As illustrated in institutional fees above, the Agency derives all of its operating revenue from fees paid by regulated institutions. The STCF is dependent upon both the contributions paid by registered institutions and the performance of the invested funds.

The number of registered institutions has gradually declined and the current year as seen the first decrease in total sector revenue in four years. At the same time, claims to the STCF have been increasing. Claims in 2011/2012 were just over $500,000. Claims in 2012/2013 are expected to reach $800,000. As closures increase, claims to the fund also increase.

CAPITAL AND MAJOR CAPITAL PROJECTS

	2011-2012 Actual	2012-2013 Budget	2013-2014 Forecast	2014-2015 Forecast	2015-2016 Forecast
Capital Expenditures	$71,000	$90,000	$220,000	$20,000	$20,000

Capital Expenditures

In the 2012-2015 Service Plan, it was noted that the implementation of the new ERP system was projected for mid-2012. Preliminary work has been commenced on the new ERP system and the projected implementation date has been revised to mid-2013. The projected cost of the new ERP has been revised upwards. The revised cost projection has been reflected in the above capital budget.

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